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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2008

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2008 (A/63/581). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. The Secretary-General indicates in his report that $186,297,000 remained in the accounts of closed peacekeeping missions with cash surpluses as at 30 June 2008. That amount is net of loans that had not been repaid, totalling $37,816,000, owed by two closed peacekeeping missions ($7,366,000 by the United Nations Support Mission in Haiti/United Nations Transition Mission in Haiti/United Nations Civilian Police Mission in Haiti and $3,450,000 by the United Nations Mission in the Central African Republic and Chad) and by two active missions ($14,000,000 by the United Nations Mission for the Referendum in Western Sahara and $13,000,000 by the United Nations Interim Administration Mission in Kosovo), which remained unpaid as at 30 June 2008. Five of the 21 closed peacekeeping missions had cash deficits totalling $86,712,000 as at the same date, owing to outstanding payments of assessed contributions. Table 4 of the report provides a breakdown by mission of the cash deficits.

3. The Secretary-General also indicates that, as a result of the high level of outstanding assessments in the special accounts of some active missions, there is a continuing need to borrow from closed missions. The following table provides details on cross-borrowing during the 2007/08 and 2008/09 financial periods:

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(United States dollars)

Financial period	*Total cross-borrowing*	*Number of active missions*	*Missions*
2007/08	$72.0 million	4	MINURSO, MINUSTAH, UNMIK and UNOMIG
2008/09	$158.0 million (as at 17 April 2009)	8	MINURSO, UNOMIG, UNMIK, UNFICYP, MINUSTAH, UNOCI, UNMIL and UNMIT

Abbreviations: MINURSO, United Nations Mission for the Referendum in Western Sahara; MINUSTAH, United Nations Stabilization Mission in Haiti; UNFICYP, United Nations Peacekeeping Force in Cyprus; UNMIK, United Nations Interim Administration Mission in Kosovo; UNMIL, United Nations Mission in Liberia; UNMIT, United Nations Integrated Mission in Timor-Leste; UNOCI, United Nations Operation in Côte d'Ivoire; UNOMIG, United Nations Observer Mission in Georgia.

4. According to the Secretary-General, the need to resort to cross-borrowing from the closed peacekeeping missions with cash balances may increase during the 2009/10 financial period. In paragraphs 9 to 11 of his report (A/63/581), the Secretary-General provides information in support of anticipated increased borrowing. The Advisory Committee was provided, upon request, with an update of cash needs that might arise owing to the increase in strength of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the United Nations Mission in the Central African Republic and Chad (MINURCAT) and the establishment of a mission in Somalia (ibid., paras. 9-12).

5. According to the update, the Secretary-General continues to anticipate that in the 2009/10 financial period the need to resort to cross-borrowing may increase owing to the decision taken by the Security Council in its resolution 1843 (2008) to extend the deployment of the increased strength of MONUC by up to 3,085 military and police personnel until 31 December 2009. Moreover, in its resolution 1861 (2009), the Security Council authorized the deployment to Chad and the Central African Republic of a United Nations military component of up to 5,525 military and police personnel, and that the transfer of authority between the European Union Force and the military component of MINURCAT take place on 15 March 2009. The budgets for MONUC and MINURCAT for the 2009/10 financial period reflect resource requirements arising from the above-mentioned decisions of the Security Council. Once the General Assembly takes action on resource requirements for these missions, the Secretariat will notify Member States of the amounts due from them for the financing of the missions. The Secretary-General also indicates in his report that experience has shown that there is a significant time lag, often ranging from 60 to 120 days, between the issuance of notifications to Member States and the receipt of assessed contributions. Pending the payment of assessed contributions, any cash shortfalls of these missions may have to be met from loans from closed peacekeeping missions.

6. The Security Council, in its resolution 1863 (2009), expressed its intent to establish a United Nations peacekeeping operation in Somalia as a follow-on force to the African Union Mission in Somalia (AMISOM), subject to a further decision of the Council. The General Assembly approved, on 30 March 2009, a commitment authority with assessment for the period up to 30 June 2009 to provide the logistical support package to AMISOM. Preparation is currently under way for a proposal for

the 2009/10 financial period for full continued support to AMISOM, based on the underlying assumption that the Security Council, in June 2009, will not call for any change in the tasks currently mandated by it in its resolution 1863 (2009). The funding proposal will be presented to the Assembly during the second part of its resumed sixty-third session (May 2009). The Secretariat indicates that pending the receipt of assessed contributions, any cash shortfall related to the operation may have to be met from loans from closed peacekeeping missions.

7. The Secretary-General proposes that the General Assembly approve the retention of the cash balance of $186,297,000 available in 16 closed peacekeeping missions in the light of the experience as regards cash requirements of the Organization during the 2007/08 and 2008/09 financial periods.

8. The Advisory Committee points out that financial regulation 5.3 of the Financial Regulations and Rules of the United Nations provides that "appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period" and, further, that "the balance of the appropriations shall be surrendered". **The Advisory Committee reiterates its view that it is for the General Assembly to decide on the disposition of such balances, which now total $186,297,000.**